

**PROGRAM LEVEL PERFORMANCE REVIEW OF THE  
DEPARTMENT OF REHABILITATIVE SERVICES' PROJECTS TO  
SERVE TANF RECIPIENTS WITH DISABILITIES:**

**FY 2002 UPDATE**

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## **FY 2002 UPDATE: PROGRAM LEVEL PERFROMANCE REVIEW OF THE DRS TANF PROJECT INITIATIVE**

### **Introduction**

The Virginia Departments of Social Services (DSS) and Rehabilitative Services (DRS) have engaged in a joint initiative designed to make community based employment services available to individuals with disabilities who are recipients of Temporary Aid to Needy Families (TANF). DRS is contracting with eight Employment Services Organizations (ESO) to assist TANF recipients with disabilities acquire pre-employment, job placement, and job retention services. The goal of the eight DRS TANF projects is to facilitate the personal and economic independence of TANF recipients with disabilities. In conducting these projects, the ESOs work in partnership with local Departments of Social Services (LDSS) and DRS staff, along with a variety of other community agencies and resources.

DRS originally initiated the projects in October, 1998 by issuing a Request for Proposals (RFP) that sought contracts to:

Assist TANF customers in the identification and resolution of barriers to employment, in pre-employment and employment preparation activities, in attaining the skills necessary to become employed, and in securing unsubsidized employment in the least amount of time possible, while ensuring that they have the necessary coping skills to remain employed and become economically independent.

Of the eight current DRS TANF projects, seven were funded through the 1998 RFP. DRS funded the eighth project with Service Source in 2001 through a second solicitation process for the TANF Employment Initiative. The ESOs funded by the DRS TANF Employment Initiative are local, not-for-profit agencies that provide a variety of employment-related services. The eight ESOs currently funded by DRS and the primary locale where each provides services is as follows:

#### **Funded ESOs**

Richmond Goodwill Industries  
Northwestern Workshop  
SOC Enterprises  
Goodwill Industries of the Valleys  
Louise Eggleston Services  
Career Support Systems  
WorkSource Enterprises  
Service Source

#### **Geographic Area Served by Projects**

Richmond City, Henrico and Chesterfield Counties  
Frederick and Clarke Counties  
Loudoun, Fairfax, Fauquier and Prince William  
Roanoke City, Roanoke and Franklin Counties  
Cities of Norfolk and Virginia Beach  
Southwest Virginia Area<sup>1</sup>  
Charlottesville area<sup>2</sup>  
Cities of Arlington and Alexandria

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<sup>1</sup> The Career Support Systems project serves the City of Bristol and the Counties of Lee, Scott, Wise, Washington, Russell, Dickenson, Buchanan, and Tazewell.

<sup>2</sup> The WorkSource Enterprises project serves the City of Charlottesville and the Counties of Nelson, Albermarle, Fluvanna, Louisa, and Greene

**Purpose of FY 2002 Update of Program Level Performance Review:** This report is an update of a program level performance review of the DRS projects that serve TANF recipients with disabilities previously submitted to DRS on April 13, 2001. This current update covers the project period January 1, 2001 – June 30, 2002 and presents information on the following:

- Disability profile of persons served by the TANF projects.
- Disability profile of those project participants who received services from DRS.
- Services received by project participants.
- Job placement, job retention, and earnings outcomes achieved.
- DRS closure outcomes for the project participants.
- DRS contractual and case service costs for the TANF projects.

This report will summarize DRS TANF project's accomplishments and current issues identified through the program level performance review. It provides recommendations to DRS on strategies for transitioning from the current project-based approach utilizing contracts to fund the TANF employment initiative to a fee-based arrangements to acquire needed services that effectively integrates the TANF employment initiative into the DRS service program.

**Performance Review Update Methodology and Limitations:** This report is based primarily on an analysis of data provided by the Department of Rehabilitative Services.<sup>3</sup> The primary data set consists of the information reported to DRS by the eight funded ESOs. DRS also provided additional information for the subset of persons served by the TANF project who have a record in the DRS Vocational Rehabilitation Information System (VRIS). The data analyzed covers the period January 1, 2001 through June 30, 2002. The funding for the renewal and the new (in the case of Service Source) contracts for the DRS TANF projects began approximately January 1, 2001. It is important to note that this review makes limited use of comparisons between results reported in the original April 13, 2001 Performance Review and results from this current reporting period. The original report covered the implementation period for these projects. The projects are now well established. Also, updates have been made for this current contract period in the content and management of the Information System for the DRS TANF projects that have substantially improved the completeness and accuracy of the database.

### **Results of Program Level Performance Update for DRS TANF Projects**

The following series of figures and tables presents information on the outcomes of the DRS TANF projects. Reference is made to five DRS case status codes. One of these status codes is for individuals who have open cases with DRS. This code is defined as follows:

- Status 10: Eligibility for VR services determined; Individual Plan for Employment (IPE) being developed.

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<sup>3</sup> Staff of the Department of Rehabilitation who provided information used in the preparation of this report are Alice Berman, Ray Graesser, Myra Owens, and Ann Stanfield.

The other four referenced case status codes indicate that an individual's case with DRS has been closed. These closure status codes are as follows:

- Status 08: Closed prior to determination of eligibility for VR services.
- Status 30: Closed after determination of eligibility for VR services but prior to completion of an Individual Plan for Employment.
- Status 26: Closed successfully in employment after at least 90 days of stable employment..
- Status 28: IPE initiated but individual closed without successfully achieving an employment outcome.

**Persons Referred and Served by the DRS TANF Projects:** DRS originally initiated the TANF projects in March, 1999, and the original project contract period ran from March, 1999 through December, 2000. The current contract period began January, 2001, and a number of project participants were carried forward from the original contracts to the new contracts to complete their service programs..

Table 1 presents a summary of referral and service data for the current project period. The ESOs reported receiving a total of 758 referrals during the current contract period, with 678 (89%) of these new referrals being added to the service roles of the projects. In reviewing the information contained in Table 1 on % of new referrals served in the current contract period, it is important to note that Northwestern Workshop (109%) and SOC Enterprises (118%) both report serving more than 100% of the referrals. The percentages reported in Table 1 appear to be influenced by inclusion as new referrals for this contract period some individuals that were actually referred during the original contract period. Overall however, the 89% rate for new referrals being served by the projects is an indicator that the referral relationship between the ESOs and the local Departments of Social Services (the primary referral source) is effective in identifying individuals who are appropriate candidates for assistance from the ESOs through the projects.

**Table 1: Referrals During Current Contract Period  
January 1, 2001 – June 30, 2002**

ESO	# Referred to DRS TANF Projects in Current Contract Period	# Newly Served by Projects	% of New Referrals Served in Current Contract Period
Career Support Systems	91	82	89%
Eggleston Services	36	34	94%
Goodwill, Valley	166	145	87%
NW Workshop	34	40	118%
Richmond Goodwill	245	211	86%
Service Source	84	84	100%
SOC Enterprises	23	25	109%
WorkSource Enterprises	79	58	73%
<b>Overall</b>	<b>758</b>	<b>678</b>	<b>89%</b>

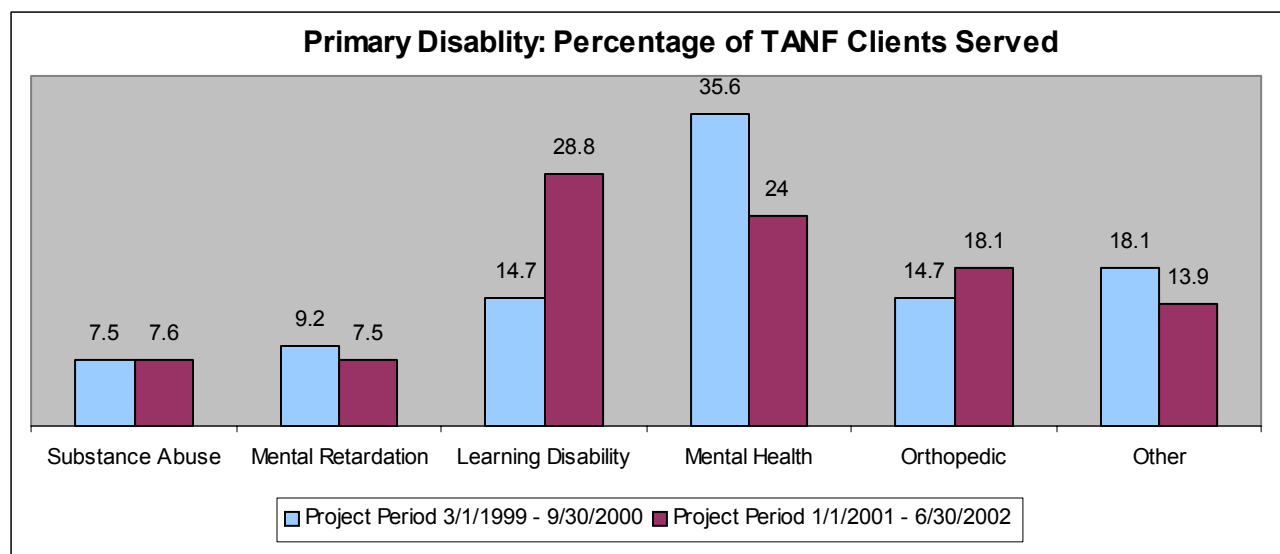
As presented in Table 2, the total number of new and carryover participants served by the TANF project ESOs during the current contract period is 966. The 0% in the Carried Forward column of Table 2 for Service Source is consistent with this project being a start-up effective January 1, 2001. As also reported in Table 2, 30% of the persons served were carried forward from the previous contract period. However, there is quite a range of percentages in the carry-over indicator among the 7 continuing ESOs. SOC at 61% and Work Source at 47% were on the high end of the range, and Richmond Goodwill at 14% had the lowest rate of carryover.

**Table 2: Total Number of People Served during Current Contract Period**

ESO	# Served in Current Contract Period	% of Persons Served Carried Forward from Previous Contract
Career Support Systems	113	28%
Eggleston Services	55	38%
Goodwill, Valley	227	36%
NW Workshop	70	43%
Richmond Goodwill	244	14%
Service Source	84	0%
SOC Enterprises	64	61%
WorkSource Enterprises	109	47%
Overall	966	30%

**Disability Profile of TANF Project Participants:** Two disability profiles are presented. Figure 1 presents a comparison of the disability profiles between the TANF project period addressed in the original April, 2001 TANF Project Performance Review Report (March, 1999 through September, 2000) and this current report (January, 2001 through June, 2002)

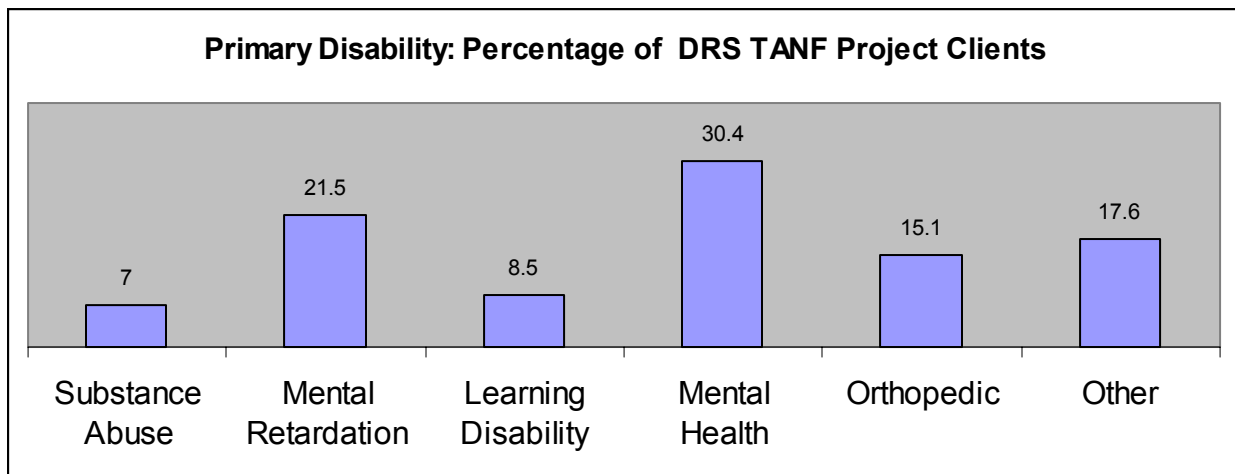
**Figure 1: Primary Disability of TANF Project Participants:  
Original (3/1999 - 9/2000) and Current (1/2001 - 6/2002) Performance Report Periods**



The major changes in the disability profiles presented in Figure 1 from the original to the current project periods are the increase from 14.7% to 28.6% in learning disability as a primary disability and a corresponding decrease from 35.6 % to 24% in mental health as a primary disability. Learning disability is the most frequently reported primary disability for TANF project participants served by the ESOs during the current project period. The frequent identification of learning disabilities by ESO staff could possibly be influenced by initiatives in the state that have brought attention to this disability area. For example, the Bridges to Practice grants around the state provide screening for learning disabilities and other services. Service Source participates in the Bridges to Practice projects. It is also possible that TANF recipients self-identified themselves as having a learning disability more frequently than other disabilities.

Figure 2 presents the disability profile for those individuals served by the TANF projects who were found eligible for DRS services (entered status 10). Mental illness as a primary disability (30.4%) is the most frequent disability classification identified for the DRS eligible project participants. The major difference between the disability profiles in Figures 1 and 2 are in the disability areas of mental retardation and learning disability. Only 8.5% of the project participants found eligible for DRS services had a primary disability of a learning disability as compared to 28.8% for the overall project participants reported in Figure 1. The primary disability of mental retardation was reported for 21.5% of the DRS eligible group as compared to only 7.5% in the overall TANF project group. It is difficult to determine whether this disability profile change results from referral patterns of individuals in these two disability areas from the ESOs to DRS or instead from differences in the disability identification processes used by ESOs and DRS. It is very possible that individuals identified as learning disabled by the ESOs are later placed in the mental retardation disability category after diagnostic and evaluation services performed by DRS during its eligibility process.

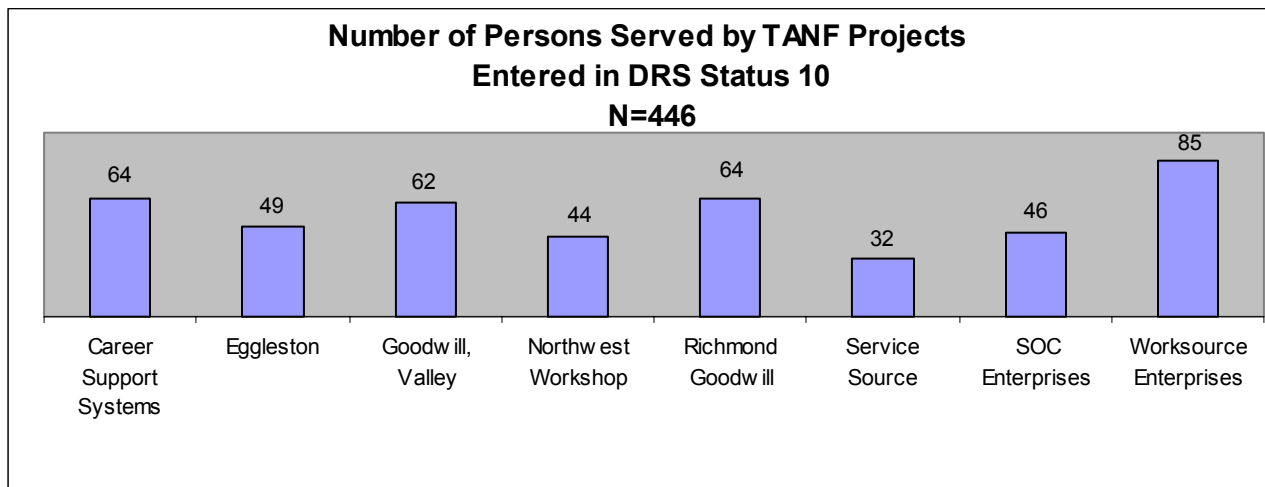
**Figure 2: Primary Disability of TANF Project Participants Found Eligible for DRS**



**Level of Disability Significance for DRS Eligible TANF Project Participants<sup>4</sup>:** Of the TANF Project participants found eligible for DRS services, approximately 57% had a significant disability; 37% a most-significant disability, and 5% a non-significant disability.

**DRS Eligibility for TANF Project Participants:** Figure 3 indicates that 446 of the 966 persons served by the TANF projects were found eligible for DRS services. Worksource Enterprises had the highest number of DRS eligible participants at 85. Service Source had the lowest number at 32, as would be expected for a start-up project within a group of established projects as a new project, Service Source had to establish referral relationships as a part of its start-up activities

**Figure 3: Number of Persons Served by TANF Projects Found Eligible by DRS**



Although the number of TANF participants found eligible for DRS services is fairly consistent across the continuing projects, there are marked differences in the percent of persons served by each ESO who were found eligible by DRS. These percentages are presented in Figure 4. Overall, approximately 46% of the project participants were found eligible for DRS. ESOs such as Eggleston at 89.1% and Worksource Enterprises at 78% had very high eligibility rates; Richmond Goodwill Industries at 26% and Goodwill Industries of the Valley at 27.3% had very low eligibility rates.

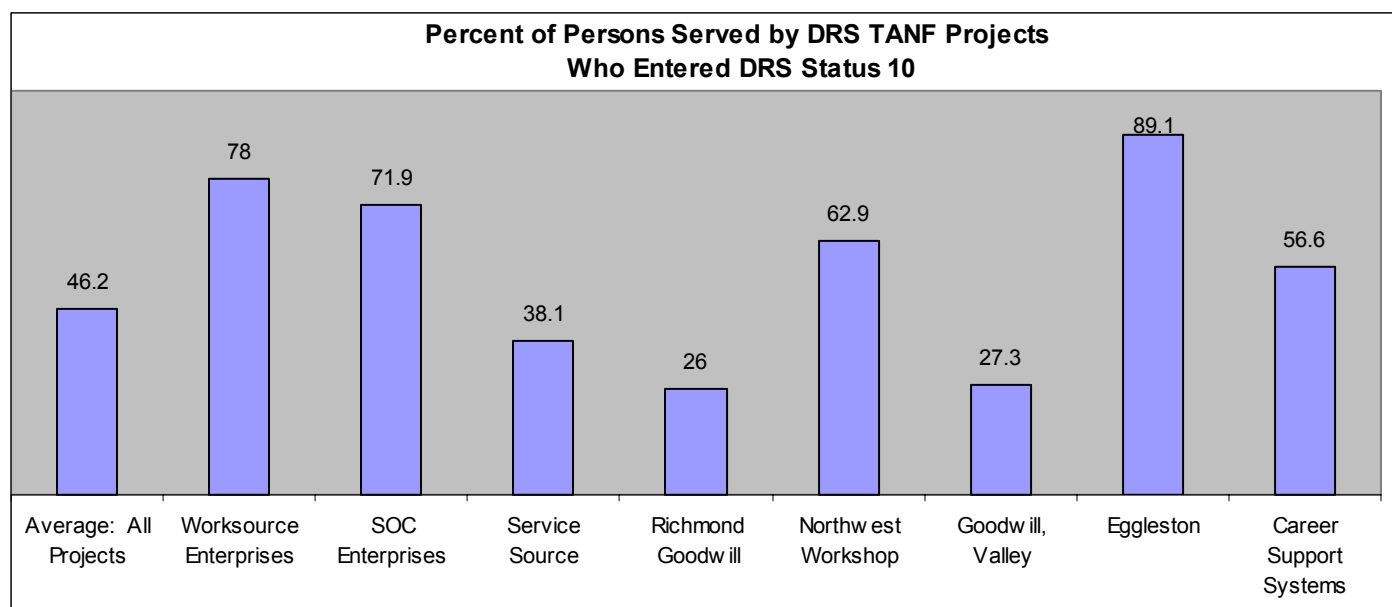
<sup>4</sup> **DRS Significant Disability Criteria:** The counselor shall code the individual's disability as significant when the individual with a disability meets all three (3) of the following criteria (federal regulation 34 CFR § 361.5(b)(31)): i) Severe physical or mental impairment that seriously limits one or more functional capacities in terms of an employment outcome and ii) Whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time and iii) Who has one or more physical or mental disabilities determined on the basis of an eligibility determination assessment and needs assessment to cause comparable substantial functional limitation.

**DRS Most Significant Disability Criteria:** The individual's disability shall be considered to be most significant when the counselor documents that the individual meets all three (3) of the following criteria: i) Is an individual with a significant disability, and ii) Has a physical or mental impairment that seriously limits three (3) or more functional capacities in terms of an employment outcome, and iii) Whose vocational rehabilitation can be expected to require multiple core vocational rehabilitation services for six months or more.



Low eligibility rates can be an indicator of higher levels of non-interest in DRS services for individuals referred by the ESOs (resulting in DRS case closure before eligibility), problematic referral relationships between the ESO and DRS, and/or referrals to the ESO of individuals who do not meet DRS guidelines. It is important to note that as indicated previously in Table 2, both Richmond Goodwill Industries and Goodwill Industries of the Valley had the highest number of persons served among the TANF project ESOs, potentially indicating high levels of referrals from their respective LDSS that were not candidates for DRS services. These high levels of referrals from the LDSS to the ESO of non-candidates for DRS services were potentially influenced by the Work First tenet within the Welfare to Work program. **The issue of low eligibility rates among certain ESOs is of critical importance in the movement from contract to fee based services. These ESOs have been receiving contract funding that was not dependent on DRS eligibility levels. In a fee-based system, funding to the ESO will be very dependent on eligibility levels.**

**Figure 4: Percent of Persons Served by TANF Projects Found Eligible by DRS**



**Pre-Employment Services Utilized:** The contracts with the ESOs for the TANF projects include two primary categories of pre-employment services:

- Job Training, Job Readiness, and Work Experience Services
- Job Preparation Services

Table 3 presents information on the use of job training, job readiness, and work experience services. These services include work experience, on the job training, school attendance, vocational education, and job skills training. Of the 966 TANF project participants, 559 (58%) received these services. It is important to note the ESOs use of job training, job readiness, and work experience services vary quite markedly. Eggleston (84%), Richmond Goodwill Industries (81%), and Goodwill Industries of the Valley (72%) used these services quite frequently with

from  $\frac{2}{3}$  to  $\frac{3}{4}$  of their participants; Service Source (17%) made minimal use of these services. Career Support Systems (34%), SOC Enterprises (33%), and WorkSource Enterprises (30%) provided these services to approximately  $\frac{1}{3}$  of their participants. The wide range of utilization of a core service is representative of the diverse nature of these projects.

**Table 3: Use of Job Training, Job Readiness, Work Experience and Employment Preparation Services**

ESO	# Receiving Job Training, Job Readiness, and Work Experience Services	% of TANF Project Participants Receiving Job Training, Job Readiness, and Work Experience Services	% of TANF Project Participants Receiving Employment Preparation Services
Career Support Systems	38	34%	88%
Eggleston Services	46	84%	69%
Goodwill, Valley	184	81%	85%
NW Workshop	48	69%	94%
Richmond Goodwill	175	72%	89%
Service Source	14	17%	71%
SOC Enterprises	21	33%	39%
WorkSource Enterprises	33	30%	79%
<b>Overall</b>	<b>559</b>	<b>58%</b>	<b>81%</b>

Table 3 also summarizes information on use of employment preparation services. Employment preparation services include community support, individual counseling, group counseling, and life skills training. A total of 786 (81%) of the TANF project participants served utilized employment preparation services. The TANF projects were very consistent in the use of employment preparation services with the exception of SOC Enterprises, which provided these services to only 39% of its participants.

**Use of Job Placement Services:** Table 4 summarizes the use of job placement services. A total of 410 project participants were placed in employment. The ESOs made 599 job placements, an average of 1.5 placements per participant placed in employment. Worksource Enterprises (2.0) had the highest average number of job placements per placed participant; SOC Enterprises and Richmond Goodwill Industries (each at 1.2) had the lowest.

**Table 4: Job Placement History of TANF Projects**

ESO	# of Job Placements	# of Project Participants Placed in Employment	# of Job Placements per Placed Participant
Career Support Systems	65	48	1.4
Eggleston Services	43	29	1.5
Goodwill, Valley	99	78	1.3
NW Workshop	66	39	1.7
Richmond Goodwill	100	81	1.2
Service Source	52	37	1.4
SOC Enterprises	136	30	1.2
WorkSource Enterprises	138	68	2.0
<b>Overall</b>	<b>599</b>	<b>410</b>	<b>1.5</b>

**Employment History of TANF Project Participants:** Table 5 provides information on the employment history of TANF project participants. Key employment history data on the 966 persons served by the TANF projects is as follows:

- 410 (42%) were placed in employment.
- 279 (29%) achieved a 90-day employment outcome
- 69% of the individuals placed in employment achieved a 90-day employment outcome.

Key ESO performance indicators taken from the placement and retention rates reported in Table 5 include:

- WorkSource Enterprises (62%) had the highest placement rate, along with NW Workshop (56%), and Eggleston (53%); Richmond Goodwill Industries (33%) and Goodwill Industries of the Valley (34%) had the lowest placement rates.
- WorkSource Enterprises and SOC Enterprises had 90-day employment rates at 100% of their placement rates, a very positive job retention record.
- Richmond Goodwill Industries and Goodwill Industries of the Valley had 90 days employment rates that were less than ½ of their placement rates and noticeably below the overall project job retention rate of 69%..

**Table 5: Employment History of TANF Project Participants  
Achieving 90 Days of Employment**

ESO	# of Participants Achieving 90 Days of Employment	% of Participants Served Placed in Employment	% of Participants Served Achieving 90 Days of Employment
Career Support Systems	34	43%	30%
Eggleston Services	21	53%	38%
Goodwill, Valley	38	34%	17%
NW Workshop	33	56%	47%
Richmond Goodwill	33	33%	14%
Service Source	23	44%	27%
SOC Enterprises	31	47%	48%
WorkSource Enterprises	66	62%	61%
<b>Overall</b>	<b>279</b>	<b>42%</b>	<b>29%</b>

**Job retention for 90 days is the most critical indicator available in the TANF project data set on the real measure of the success of a Vocational Rehabilitation sponsored project focused on employment outcomes.** Maintaining employment for at least 90 days is the minimum requirement for successful case closure in employment by DRS. It is interesting to note a possible pattern emerging in the data. Programs such as Richmond Goodwill and Goodwill of the Valley who have lower placement and job retention rates also have, as reported earlier in Figure 4, lower rates for percent of persons served who were found eligible by DRS. Conversely, programs such as Worksource Enterprises, Northwest Workshop, and Eggleston with higher placement rates also had higher rates for DRS eligibility. No direct relationship for these results can be drawn from the data available. **However, the following inference can be made for the TANF projects: ESOs with higher DRS eligibility rates benefit from access to**

**DRS services for their TANF project participants in terms of job placement and job retention outcomes. Programs such as Richmond Goodwill and Goodwill of the Valleys, with low DRS eligibility rates, have more limited access to DRS services for their TANF project participants, which has an adverse affect on job placement and job retention success for these programs.**

**DRS Case Closure Status for TANF Project Participants:** A number of the remaining tables in this report make reference to DRS case closure status. As explained at the beginning of this report, the definitions for the referenced closure status are:

- Status 08: Closed prior to determination of eligibility for VR services.
- Status 30: Closed after determination of eligibility for VR services but prior to completion of an Individual Plan for Employment (IPE).
- Status 26: Closed successfully in employment.
- Status 28: IPE initiated but individual closed without successfully achieving an employment outcome.

For the period January 1, 2001 – June 30, 2002, DRS closed 74 DRS TANF project participants in employment (Status 26). As reported in Table 6, the 74 closures are 17% of the 446 TANF project participants found eligible for DRS services. It is important to note that Service Source with 1 individual closed by DRS in employment is adversely affected by having a short project time span. As noted earlier, the other 7 ESOs carried participants forward from the first contract period and were therefore better positioned than Service Source to achieve an employment outcome during the project period covered by this report. Two of the programs, Eggleston and SOC Enterprises, had about slightly more than  $\frac{1}{3}$  of its participants found eligible by DRS closed successfully in employment; the other ESOs had corresponding rates under 20%.

Forty-two (9%) of the individuals found eligible by DRS were closed unsuccessfully (Status 28) after having an Individual Plan for Employment developed. Career Support (20%) had the highest unsuccessful closure rate, and Worksource Enterprises (4%) had the lowest rate. It is important to note that DRS dictates case closure, not the ESO, so local DRS case management practices among DRS staff can influence closure rates.

**Table 6: DRS Case Closure Status for TANF Project Participants**

ESO	Total # Of Status 26 Closures (Employed)	% of DRS Eligible TANF Project Participants Closed: Status 26	Total # Of Status 28 Closures (Unsuccessful)	% of DRS Eligible TANF Participants Closed: Status 28
Career Support Systems	7	11%	13	20%
Eggleston Services	18	37%	5	10%
Goodwill, Valley	6	10%	6	10%
NW Workshop, Inc.	3	7%	2	5%
Richmond Goodwill	10	16%	6	9%
Service Source	1	3%	2	6%
SOC Enterprises	16	35%	5	11%
WorkSource Enterprises	13	15%	3	4%
Overall	74	17%	42	9%.

**Wages for DRS Cases Closed in Employment:** Table 7 presents outcomes in the areas of wages earned and hours worked by TANF project participants closed successfully by DRS in employment. Average weekly earnings were \$255.00; average hourly earnings were \$7.23; and average weekly hours worked was 35. Average hourly wages ranged from a high of \$8.57 for SOC Enterprises (a Northern Virginia program in a higher wage paying economy) to a low of \$5.72 for Career Support Systems (a Southwest Virginia program in a lower wage paying economy).

**Table 7: Wages for DRS Cases Closed in Employment**

ESO	Average Weekly Earnings	Average Weekly Hours	Average Hourly Wage
Career Support Systems, Inc.	\$192	33	\$5.72
Eggleston Services	210	31	6.68
Goodwill, Valley	257	39	6.58
Northwestern Workshop, Inc.	310	40	7.75
Richmond Goodwill	283	36	7.80
SOC Enterprises	272	34	7.87
Service Source	315	37	8.57
WorkSource Enterprises	274	35	7.45
All ESOs combined	255	35	7.23

All of the ESOs had average hours of employment over 30 hours per week, a key DRS contract performance measure for the TANF projects. Northwestern Workshop had the highest average of 40 hours of weekly employment. Northwestern also had the highest average weekly wage at \$310.00, which was generated by the high hours of weekly employment and the hourly wage of \$7.75. In summary regarding wage related outcomes, individuals served by the TANF projects successfully closed by DRS are on average working approximately 35 hours per week and are earning more than \$2.00 per hour above the current minimum wage of \$5.15 per hour.

**DRS closure rates present one of the few opportunities to compare outcomes for the DRS clients served through the TANF projects with an overall DRS performance measure.** As reported earlier, 95% of the TANF project participants found eligible for DRS services were found to have a significant or most significant disability. Therefore, comparisons can be made between the DRS closure rates for:

- DRS clients served by the TANF projects, and
- all clients closed by DRS in FY 2002 with a significant or most significant disability.

High levels of closure in DRS status 08 for a specific population are frequently indications of difficulties in the referral and/or eligibility determination process. For example, persons are referred who potentially are uninterested in DRS services, do not have a disability, or who have difficulty completing DRS eligibility determination requirements.

Table 8 presents information on closure rates for DRS TANF project participants and also for all DRS closures in FY 2002 who had a significant or most significant disability. Key comparisons that can be drawn from Table 8 include:

- The status 08 closure rate for the TANF project participants was 34%, meaning approximately 1 out of 3 DRS clients from the projects were closed by DRS before eligibility was determined. The Status 08 closure rate for the comparison group of DRS clients was far lower at 5%.
- The status 30 closures rates for the TANF project participants (28%) and the DRS comparison group (26%) were quite close.

**When the status 08 and 30 closure rates are combined, approximately 62% of DRS clients served by the TANF projects are closed by DRS before an IPE is developed, a closure rate twice as high as the combined status 08 and 30 closure rate of approximately 31% for the DRS comparison group.**

**Table 8: Closure Rate for DRS Clients Served by the TANF Projects**

<b>DRS Closure Status</b>	<b>% by Closure Status: DRS Clients Served by TANF Projects</b>	<b>% by Closure Status All DRS FY 2002 Closures (Significant or Most Disability)</b>
<b>08</b>	<b>34%</b>	<b>5%</b>
<b>30</b>	<b>28%</b>	<b>26%</b>
<b>28</b>	<b>14%</b>	<b>32%</b>
<b>26</b>	<b>24%</b>	<b>36%</b>

The comparisons taken from Table 8 for Status 26 (employment) and Status 28 (unsuccessful after having a plan of service initiated) outcomes for the TANF and overall DRS group are quite interesting.

- Approximately  $\frac{1}{3}$  (36%) of the DRS comparison group were closed in employment (Status 26) compared to  $\frac{1}{4}$  (24%) for the TANF project participants.
- Approximately 14% of the DRS clients from the TANF projects were closed in Status 28, compared to 32% for the DRS overall comparison group.

These comparisons drawn from the closure data contained in Table 8 point to two important points for consideration. First, the high rate ( 62%) of Status 08 and 30 closures for DRS clients served by the TANF projects is clearly a point of concern. The implications for this finding will be discussed in the Summary of Results at the conclusion of this report.

Second, it is important to note that the Status 26 closure rate of 24% for the TANF group is strongly influenced by the high number Closed in Status 08 and 30 – only a limited number of TANF clients have an IPE developed and are therefore potential candidates for closure in employment. For the 116 TANF project participants closed by DRS after having an Individual Plan of Employment initiated, 64% were closed in Status 26. Their success rate is actually higher than for the comparison group of DRS clients where of the 6,956 clients closed by DRS after having an Individual Plan of Employment initiated,. 52% were closed in Status 26. **TANF**

**project participants who have a DRS IPE initiated have a noticeably higher success rate in reaching employment closure status as compared to the overall DRS population of persons with a significant or most significant disability.**

**Primary DRS Purchased Services for TANF Project Participants:** DRS purchased a wide variety of services for its clients served by the TANF projects. Overall, DRS expended \$437,906 on purchased services for this population. These are services purchased based on service authorizations issued by DRS counselors; these DRS expenditures are over and above the services obtained through the contract funding provided to the ESOs by DRS through the TANF projects. As reported in Table 9, Psychological Services (\$81,798) were most frequently purchased. Other services more frequently purchased included Motor Vehicle Repair (\$55,328), Independent Living Services (\$43,984) and Supported Employment Services (\$42,016).

**Table 9: Primary DRS Purchased Services for TANF Project Clients**

Service Received	Average Payment	Total Payment
Psychological Services	\$135	\$81,798
Motor Vehicle Repair	621	55,328
Independent Living Services	709	43,984
Supported Employment	400	42,016
Work Adjustment Training	36	30,642
Maintenance: Board/Clothing	118	27,081
Vocational Tuition and Fees	332	22,560
Specialist Exams	98	16,689
Transportation	64	16,602
Services to Family Members	255	14,282
Situational Assessments	142	9,261

It is important to note that purchase levels for some services provided to DRS clients served by the TANF projects were possibly influenced by the contract funding mechanism. For example, Northwest Workshop project had a Center for Independent Living as a project partner under contract to deliver independent living services. For DRS clients served by the Northwest Workshop TANF project, independent living services would not need to be purchased by DRS as they would be in other TANF projects that did not have independent living services under contract. It is important for DRS to identify which service costs were potentially influenced by the TANF project contracts. In moving from contracts to fee-for-service, DRS will need to accurately project the case service expenditure needed to provide effective employment services to the TANF population with disabilities.

**DRS TANF Contract Cost Per Employment Outcome as of 6/30/02:** The DRS TANF contract costs per employment outcome used in this report were calculated by utilizing contract payment information supplied by DRS for the period January 1, 2001 through June 30, 2002. Only dollar totals actually reimbursed during this period to the ESOs based on billings to DRS were utilized in calculating costs per outcome. Therefore, it is very possible that the calculations underestimate the true cost per outcome because the ESOs potentially incurred other costs for the identified period that were billed at a later time and not included in the cost figures supplied by DRS for this analysis



Three outcome costs are calculated in Table 10: Cost per placement, Cost per 90 day employment outcome, and Cost per Status 26 closure. It is important to note that the costs associated with Service Source were not included in Table 10 because this ESO was in its initial contract-funding period. The costs associated with Service Source are footnoted. The cost figures presented in Table 10 were calculated as follows

**Cost per placement** was calculated by taking the total contract costs reported by DRS (\$1,321,377) and dividing it by the 373 individuals reported by the TANF project ESOs as being placed in employment. This calculation was done for each contract and also for the overall project. No case DRS purchase of service dollars are included in these calculations. **The average TANF project contract cost per placement is \$3,540.** The costs range from a high for Eggleston of \$6,276 to a low for Goodwill Industries of the Valley of \$2,138.

**Cost per 90 day employment outcome** was calculated by taking the total contract costs reported by DRS (\$1,321,377) and dividing in by the 256 individuals reported by the TANF project ESOs as achieving a 90 day employment outcome. This calculation was done for each contract and also for the overall project. No case DRS purchase of service dollars are included in these calculations. **The average TANF project contract cost per 90 day employment outcome is \$5,161.** The costs range from a high for Eggleston of \$8,667 to a low for WorkSource Enterprises of \$2,630.

**Cost per Status 26 Closure** was calculated by taking the total contract costs reported by DRS (\$1,321,377) and dividing in by the 73 TANF project participant closed by DRS in Status 26. **The average TANF project contract cost per Status 26 closure is \$18,101.** Average per contract costs per status 26 closure ranged from a high of \$48,861 for Northwestern Workshop to a low of \$10,112 for Eggleston.

**Table 10: DRS TANF Contract Cost Per Employment Outcome:  
January 1, 2001 - June 30, 2002<sup>5</sup>**

ESO	Total Contract Expenditure by DRS as of 6/30/02	Cost per TANF Project Participant Placed in Employment	Cost per TANF Project Participant Achieving 90 Days in Employment	Cost per TANF Project Participant Closed in Status 26
Career Support Systems	\$247,863	\$5,164	\$7,290	\$35,409
Eggleston Services	182,014	6,276	8,667	10,112
Goodwill, Valley	166,790	2,138	4,389	27,798
Northwestern Workshop	146,583	3,758	4,441	48,861
Richmond Goodwill	239,953	2,962	7,271	23,995
SOC Enterprises	164,589	5,486	5,309	13,354
WorkSource Enterprises	173,600	2,553	2,630	13,354
Overall	\$1,321,377	\$3,540	\$5,161	\$18,101

<sup>5</sup> The total contract expenditure for Service Source was \$199,394 for the period January 1, 2001 through June 30, 2002. For Service Source, the average cost per TANF project participant placed in employment was \$5,389 and the cost per 90 day employment outcome was \$8,669.



Table 11 provides information on the total DRS Case Service expenditure for purchased services per TANF project contract. Service Source is not included in the data provided in Table 11. For project participants closed in Status 26, the overall average case service cost was \$1,677. The range of average case service costs for Status 26 closers is quite wide: Richmond Goodwill Industries had a high of \$4,022 and Career Support Systems has a low of \$313. This range is unexpected. The DRS TANF projects served a common population and worked from a uniform service design funded under contract. The range of costs do indicate the influence of the local service patterns and philosophies on the part of both the individual ESOs and their local DRS partners. However, the DRS case service expenditures that were made in support of individuals who achieved an employment outcome needed for a Status 26 are expenditures in addition to the \$18,101 average per Status 26 for contract funds discussed previously. When the DRS contract and case service expenditures are combined, DRS expended approximately \$19,800 per Status 26 outcome achieved through the TANF projects.

The expenditure data for Status 28 closures for DRS clients served in the TANF projects parallels closely the pattern seen for the Status 26 closures. The overall average expenditure per Status 28 closure was \$1,262; the range was from \$3,689 for WorkSource Enterprises to \$45 for Eggleston.

**Table 11': DRS Case Service Expenditures for DRS Clients Served by TANF Projects:  
January 1, 2001 - June 30, 2002**

ESO	Case Service Cost per TANF Project Participant Closed in Status 26	Cost Case Service Cost per TANF Project Participant Closed in Status 28	Total DRS Case Service \$ Expended on TANF Participants in VRIS
Career Support Systems	\$ 313	\$ 635	\$11,725
Eggleston Services	362	45	7,840
Goodwill, Valley	2,834	1,791	49,123
Northwestern Workshop	727	943	15,944
Richmond Goodwill	4,022	2,382	72,484
SOC Enterprises	689	681	24,711
WorkSource Enterprises	3,327	3,689	243,723
Overall	\$1,677	1,262	425,104

## Summary of Results

The results from the analysis of the TANF project outcome data important to DRS in strategizing for the transition from contract based funding to fee for service funding for delivering employment services to TANF recipients with disabilities are summarized as follows:

- **Referrals to ESO of TANF recipients:** The ESO projects consistently achieved a high rate (89%) for moving TANF recipients referred from local LDSSs into services, indicating that strong referral links have been established at the local levels to identify TANF recipients with disabilities who could potentially benefit from employment services. **However, this finding must be viewed with caution because of the varying degrees of success many of the individuals served by the ESOs had in working with DRS, as seen in the following finding.**
- **DRS Eligibility Determination for TANF Recipients with Disabilities:** There was a wide range in the DRS eligibility determination levels across the 8 ESOs in the TANF projects. Overall, approximately 46% of the project participants served by DRS were found eligible. However, with referrals to DRS from some ESOs, less than 25% were found eligible; other ESO had over 75% of their referrals found eligible. **Low rates of eligibility determination in a particular community threatens the availability of services from DRS for the TANF population in a fee-for-service environment.** It also puts pressure on the local LDSS to find/fund employment related services for its TANF population with disabilities not served by DRS.
- **Primary Disability of TANF Recipients with Disabilities served by the ESOs and by DRS:** Learning disability was the most frequent disability for project participants reported by the ESOs, possibly influenced by self-reporting of this disability by the TANF recipients. Based on the more comprehensive diagnostic and evaluation procedures involved in the DRS eligibility determination process, mental illness was the most frequent disability for individuals served by DRS, and the rate of learning disabilities as a primary identified disability dropped considerably for DRS clients. **With few exceptions, the TANF project participants served by DRS had significant or most significant disabilities. .**
- **Use of Pre-employment Services by TANF Recipients with a Disability:** After approximately 3 years of funding for TANF projects, local service patterns continue to vary considerably on the use of pre-employment services, and it is difficult to determine the impact of use of pre-employment services on employment outcomes. In defining the core employment related service DRS will seek for TANF recipients with a disability, DRS must adopt a flexible service definition. **There is not a clearly identified core service that can be identified through the TANF projects as critical to achieving an employment outcome for the targeted population.**
- **Job Retention and Repeated Job Placements:** Project participants placed in employment averaged 1.5 job placements. Approximately 69% of the individuals placed in employment achieved a 90-day employment outcome. Although comparative information is not available on the job retention and repeated job placement patterns of non-TANF recipients served by DRS, it is important to note that follow-along supports for at least 90 days was a key component of the job retention supports provided by the ESOs through the TANF projects. **It does appear that follow along supports after**

**employment, including help through repeated job placements, are needed by the TANF population and should be incorporated into the post-contract service plan.**

- **Wage Outcomes:** TANF project participants who obtained employment did obtain jobs that on average were full time and paying about \$2.00 an hour over the minimum wage of \$5.15 per hour. **It does appear that the projects were effective in helping individuals find jobs that are more than the part-time, minimum wage level employment frequently associated with individuals with significant and most disabilities.**
- **Closure Rates:** Although the TANF population does appear to have a Status 08 closure rate about six times the corresponding closure rate for the overall population of persons with significant or most significant disabilities, it does appear that those TANF recipients with disabilities who do complete an IPE have a higher successful closure rate in employment than the DRS comparison norm. There does appear to be a population of TANF recipients with significant disabilities who responds well and benefits from DRS services. **The population of TANF recipients who actually reach the point in the DRS process where an IPE is initiated can be very successful in employment.**
- **Cost Impact of the DRS TANF projects:** Contract and case services expenditures for individuals served by the projects who were closed by DRS were the primary basis available for identifying the cost impact of the DRS TANF projects. On average, DRS expended approximately \$18,100 in contracted funds per Status 26 closure of TANF project participants. In addition, approximately \$1,677 in case service funds were expended per Status 26 closure, a cost average drawn from a very wide range of expenditures. The overall expenditures per DRS employment outcome generated by the TANF project contracts is at cost levels that cannot be maintained in a fee for service environment. The wide range of case service expenditures across the various DRS offices associated with the TANF project ESOs also complicates any effort to project costs that should be anticipated in a fee for service environment. **However, the cost levels associated with these projects do indicate a need for close attention by DRS to service and expenditure patterns as it moves to a fee for service arrangement with statewide implementation.**

### **Summary Recommendation**

A number of lessons for providing employment services to TANF recipients with disabilities can be drawn from the experiences of DRS, DSS, and the ESOs through the TANF projects. Some of these lessons are supported by the findings of a companion effort to this performance review that involved an analysis of the responses by local TANF project partners to a questionnaire and follow-up interview on promising employment practices. Lessons learned to date in serving the TANF population with a disability include:

1. Engage the TANF recipient at the point of referral through joint intakes involving partners that embrace a one-stop philosophy.
2. Identify, address, and continually reassess individual and family-related barriers to employment.
3. Develop job goals that reflect individual preferences, and acknowledge that job preferences will likely change as the participant gains work experience.

4. Emphasize opportunities to provide pre-employment services while recognizing the need to move rapidly into employment.
5. Support job mobility and job growth through repeated job placements.
6. Stay close to the TANF recipient throughout the employment process and provide continuing assistance well after movement into employment.
7. Work consistently to build a trusting, responsive relationship with the TANF recipient.

It is important to note that when the move is made from contract funding of these projects to a fee-based funding structure, DRS must have in place a purchasable service and payment structure that maintains the core services capacity reflected in the seven practices identified above as lessons learned through the DRS TANF projects. The contract funding mechanism used with the DRS TANF projects has offered the ESOs and local DRS and DSS offices a high degree of flexibility in determining the timing, intensity, and content of services provided by the ESO staff for each project participant. In response to the TANF Work First focus, the DRS TANF contracts have allowed the ESOs to initiate employment-related support services from the point of referral from LDSS and to provide a variety of services while DRS determined eligibility.

The timing of services is critical to the eventual employment success of the TANF recipient. The contract-funded DRS TANF projects have been resources for DRS, DSS, and LDSS to assist TANF recipients with disabilities achieve positive employment outcomes. The contract-funded services have not been dependent on the availability of a service authorization issued by DRS after completion of an IPE. ESOs have largely been able to respond to the employment and related service needs of the project participants without the constraints sometimes experienced when individual service authorizations are required. In fee-based arrangements, DRS usually authorizes purchase of employment-related services after the development of the IPE, and the ESO will potentially have to wait to provide employment supports to the TANF recipient until the DRS authorization is issued.

It is also important to note that the movement from contract funding to fee for service funding has clear implications for DSS and the Local Department of Social Services also, particularly in those communities where the percent of TANF participants with disabilities found eligible for DRS services is low. The LDSS in these communities will no longer have access to the ESO services provided under the TANF project a funding sources unless an alternative funding source is found for the services. For those individuals not being served by DRS, the LDSS will need to use its own resources or find other funds to acquire employment related services.

In summary, the overall population of TANF recipients with a disability has unique, diverse and challenging characteristics that complicate efforts to frame a statewide plan for delivering employment services. However, there are individuals in this population who have also demonstrated that they respond well to Vocational Rehabilitation services and can be successful employment. In establishing a fee-based arrangements to continue the core TANF project services, DRS, in cooperation with DSS and the ESOs, should put into place a mechanism that will allow its counselors to purchase a service (or set of services) that encompasses a combination of employment supports and supports to assist with the community living issues experienced by TANF recipient with a disability as they strive for success in employment. It must also be determined if there are ancillary services necessary to augment this core service,

and provisions for the inclusion of these ancillary services are needed in the fee-based reimbursement structure. The DRS purchase of service data available through the case cost records of DRS clients served in the TANF projects are a very valuable resource for identifying the ancillary services that DRS counselors obtained outside of the TANF projects contracts. Finally, DRS must recognize that after 3 years of contract funding for the TANF projects, referral, eligibility, service, cost, and employment outcomes for TANF recipients with disability continues to vary considerably across the state, and no definitive core service model has emerged. A flexible service design is needed for the TANF population with disabilities in providing employment oriented supports and services.